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BEFORE THE  
**Federal Communications Commission**  
WASHINGTON, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

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In the Matter of )

Amendment of the Commission's Regulatory )  
Policies to Allow Non-U.S.-Licensed Space )  
Stations to Provide Domestic and International )  
Satellite Services in the United States )

IB Docket No. 96-111

and )

Amendment of Section 25.131 of the )  
Commission's Rules and Regulations to )  
Eliminate the Licensing Requirement for )  
Certain International Receive-Only Earth )  
Stations )

CC Docket No. 93-23  
RM-7931

and )

COMMUNICATIONS SATELLITE )  
CORPORATION )  
Request for Waiver of Section 25.131(j)(1) )  
of the Commission's Rules as it Applies to )  
Services Provided via the Intelsat K Satellite )

File No. ISP-92-007

To: The Commission

**REPLY COMMENTS OF LOCKHEED MARTIN CORPORATION**

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August 16, 1996

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To: The Commission

**REPLY COMMENTS OF LOCKHEED MARTIN CORPORATION**

Lockheed Martin Corporation ("Lockheed Martin"), pursuant to Sections 1.415 and 1.419 of the Commission's Rules, hereby replies to comments filed on July 15, 1996 in response to the Commission's Notice of Proposed Rule Making ("NPRM") in the above-captioned proceeding (known as "DISCO II"). As a general matter, the comments reflect broad support for the efforts of the Commission and other U.S. agencies to ensure a favorable worldwide trade and regulatory

environment for communications satellite services. Many of the commenters also expressed a strong preference for this objective to be achieved — for both practical and policy reasons — through a multilateral arrangement such as that now being pursued by the Group on Basic Telecommunications (“GBT”) meeting under the auspices of the World Trade Organization (“WTO”). As a consequence, the Commission needs not only to consider the substantial differences of opinion concerning the form and implementation of its proposed “effective competitive opportunities” test (“ECO-Sat test”), but also to ensure that further action in this proceeding is integrated into the ongoing U.S. efforts in the WTO exercise and related activities.

## **I. INTRODUCTION AND SUMMARY**

Although the parties participating in this proceeding represent many disparate perspectives, a significant number of commenters agree with Lockheed Martin’s observation in its initial comments that the preferred mechanism for achieving open markets for, and appropriate regulatory treatment of, satellite services on a worldwide basis is an effective multilateral agreement.<sup>1/</sup> The principal opportunity for such an agreement is presented by the WTO’s GBT negotiations, originally scheduled to be completed last Spring and now extended to February 1997.<sup>2/</sup>

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<sup>1/</sup> See AirTouch Comments at 8-10; GE Americom Comments at 5-8; L/Q Licensee Comments at 9-11; Motorola Comments at 13-14.

<sup>2/</sup> In advance of the re-initiation of these negotiations, it may also be very useful to pursue these issues at the ITU’s upcoming World Telecommunications Policy Forum in a manner that enhances the likelihood of a satisfactory outcome for the WTO GBT negotiations.

Given the broad divergence of views on numerous complex issues relating to the form and implementation of an ECO-Sat test, it is unlikely that these issues would be resolved and the DISCO II proceeding completed before the expected conclusion of the WTO GBT negotiations next February. Accordingly, it may be prudent for the Commission to consider the initial comments filed in this proceeding and then to solicit additional views concerning any multilateral agreement that is reached as a result of the WTO process (or the failure to reach such an agreement), giving the parties the opportunity to assess the impact of this process on the proposed ECO-Sat principles. There is support among the commenting parties for this approach.<sup>3/</sup>

In any case, as the Commission considers further action, it should take great care to act consistently with the basic regulatory principles that it would like to see adopted by other administrations worldwide. In particular, the Commission's action should reinforce the fundamental and important principles that only one administration will assume responsibility for licensing and authorizing the space segment of satellite systems, that licensing of earth stations will be streamlined and avoid unnecessary requirements, and that regulatory safeguards will be implemented to prevent anti-competitive conduct.

With respect to licensing, the vast majority of commenters support Lockheed Martin in opposing any steps by the Commission that would amount to re-licensing of non-U.S. systems. Imposing any sort of re-licensing, including the unnecessary evaluation of legal or financial qualifications would undermine the U.S. goal of fostering open entry and global competition.

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<sup>3/</sup> See, e.g., GE Americom Comments at 8.

While most parties also concur that it is appropriate to use the Earth station licensing process as a means of evaluating effective competitive opportunities in markets abroad, there are significantly disparate views on the form and application of an ECO-Sat test. Lockheed Martin believes that the wide range of views highlights inherent shortcomings in attempting to adopt strict *a priori* standards to be applied in specifically-defined circumstances. It would be more appropriate for the Commission to apply a flexible analysis that permits each applicant to demonstrate which variation of the ECO-Sat test is appropriate for the service it intends to offer.

Despite the complaints of some commenters that Earth station operators, which are often small businesses, will be unduly burdened by the obligation to make ECO-Sat demonstrations as part of their applications, it is most appropriate to place the ultimate burden of making a public interest showing upon the party seeking an authorization. Nonetheless, it may also be appropriate to permit non-U.S. satellite operators themselves to submit the ECO-Sat showing either in connection with a Title III application or in a separate request for declaratory ruling.

Whatever approach the Commission takes, however, there is no question that it has the authority to impose an ECO-Sat test. It was firmly established in the course of last year's Foreign Carrier Entry proceeding that the Executive Branch views the establishment and enforcement of an ECO test as within the FCC's regulatory power subject to consultation with appropriate Executive Branch departments. The ECO-Sat test complies with this consultation requirement and is also fully consistent with the agreements made in the course of the WTO GBT negotiations.

Finally, commenters in this docket offer strong support for several other approaches concerning issues posed by the Commission. First, the Commission should expand its "no special concessions" policy to protect all satellite systems operating in the U.S. market by making this provision applicable to non-U.S. operators through Earth station authorizations. Second, the Commission should not permit inter-governmental organizations or their spin-offs to expand services beyond their treaty-based mandate until issues concerning restructuring and/or privatization of these entities are fully resolved. Third, the Commission should retain its current policy declining to accept Earth station applications to access satellites that are not yet fully licensed or operational.

## II. DISCUSSION

### A. **The Commission Should Not Require Re-Licensing For Non-U.S. Satellite Systems Seeking To Offer Service To And From the U.S.**

Most commenting parties agree that the Commission should rely upon the Earth station application process as the vehicle for application of its ECO-Sat analysis, and avoid any action that would amount to re-licensing of satellite systems.<sup>4/</sup> While the Commission has stated that it does not intend to re-license the space segment of systems authorized by other administrations, the NPRM, unfortunately, creates what is at least ambiguity on the issue of re-licensing by proposing that non-U.S. space stations somehow be required to comply with U.S.

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<sup>4/</sup> See AT&T Comments at 8 *et seq.*; Columbia Comments at 6-8; HBO Comments at 10-12; ICO Comments at 8-9; DirecTV/Hughes Comments at 10-11; Lockheed Martin Comments at 4-6; MCI Comments at 4; Orion Comments at 4; Teledesic Comments at 2; TRW Comments at 7-8.

technical, legal and financial requirements. This proposal makes little sense. Technical considerations should be limited to the Earth station applicant's compliance with U.S. regulations concerning Earth station performance and the space segment provider's compliance with the ITU regulations and coordination requirements applicable to it. With respect to legal or financial "qualifications," there is simply no reason at all for inquiry into these matters as they relate to an entity that has *already been licensed by another administration*.

Significantly, no commenter has offered any credible rationale for imposing U.S. space segment regulatory requirements on non-U.S. satellite systems in the context of Earth station licensing, and most commenters directly addressing this suggestion have roundly opposed it.<sup>5/</sup> The proposed imposition of legal and financial requirements on non-U.S. satellite systems would be fundamentally inconsistent with the Commission's tentative but sound determination not to re-license satellite spectrum and orbital resources, and should therefore be rejected.

**B. The Commenters' Divergent Views On the Appropriate Content And Application of An ECO-Sat Test Suggest That The Commission Would Be Well-Advised To Adopt Flexible Market Analysis Guidelines Rather Than Strict Rules.**

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Notwithstanding the support of commenting parties for application of an ECO-Sat analysis through the Earth station application process, there is a substantial disparity of views on exactly what the ECO-Sat test should be and how it should be applied. The divergent views of the

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<sup>5/</sup> See AT&T Comments at 10; Columbia Comments at 6-8; Comsat Comments at 38-39; DirecTV/Hughes Comments at 20-22; HBO Comments at 11-12; Orion Comments at 5; TRW Comments at 11-12.



commenting parties with respect to specific aspects of the proposed ECO-Sat test highlight the difficulties inherent in attempting to adopt rigid *a priori* variants of the test to be applied in specifically-defined circumstances.

Rather than attempting to craft rigid variations of the test for specific services, it may be better for the Commission to adopt a general presumption in favor of a home/route market analysis where the service to be offered relies on individual transmission routes between countries and a critical mass analysis when the service necessarily must penetrate many markets in order to be successful (*e.g.*, for mobile communications). Aside from these general presumptions, applicants should be able to select the market analysis appropriate for application to the services they will offer and to make a showing and a public interest argument based on that analysis. Parties opposing the application could then argue that the standard is not appropriately applied to the applicant's proposal, that the applicant failed to make an adequate showing pursuant thereto, and/or that the countervailing public interest considerations compel the denial of the application in any event.

**1. The Commission Has Authority To Adopt An ECO-Sat Test.**

At the outset, and contrary to the views expressed by ICO, the Commission has clear authority to establish the standards proposed in the NPRM. ICO alone contends that the "reciprocity" aspect of the Commission's proposed ECO-Sat test unlawfully interferes with the

Executive Branch's responsibility for trade policy.<sup>6/</sup> The Commission specifically rejected this same contention in its Foreign Carrier Entry Order, where it found that it has jurisdiction to implement an effective competitive opportunities test pursuant to its public interest obligations under Sections 1, 214 and 310(b) of the Communications Act.<sup>7/</sup> Indeed, the Commission observed that the ECO test is necessary for the FCC to carry out these statutory objectives.<sup>8/</sup>

The NTIA, acting on behalf of the Executive Branch, has fully supported the Commission's authority to establish effective competitive opportunities standards.<sup>9/</sup> The NTIA also noted that the Commission's authority in this area overlaps with Executive Branch authority over national security, foreign relations, the interpretation of international agreements, and trade.<sup>10/</sup> Contrary to ICO's assertions, such overlap does not mean that ECO and ECO-Sat tests exceed the

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<sup>6/</sup> See ICO Comments at 10-16.

<sup>7/</sup> See Market Entry and Regulation of Foreign-Affiliated Entities, 11 FCC Rcd at 3873, 3956-57 (¶¶ 221-223) (1995) ("Foreign Carrier Entry Order").

<sup>8/</sup> See Foreign Carrier Entry Order, 11 FCC Rcd at 3958-59 (¶¶ 225, 227) ("We find that effective competitive opportunities on the foreign end of U.S. international routes are necessary to limit the potential for anticompetitive conduct by foreign carriers and to ensure that their entry promotes rather than hinders competition in the U.S. international services market.")

<sup>9/</sup> See Comments of the National Telecommunications and Information Administration on the Notice of Proposed Rulemaking, IB Docket No. 95-22, at 10 (April 11, 1995) ("NTIA Comments") (noting the Commission's authority under the Communications Act and Clayton Act). See also Reply Comments of the United States Department of Justice, IB Docket No. 95-22 at 23 (May 12, 1995) (the Commission has jurisdiction to act in this area, in furtherance of its general mandate under 47 U.S.C. § 151 and Sections 214 and 310 of the Communications Act).

<sup>10/</sup> See NTIA Comments, IB Docket No. 95-22, at 11.

Commission's authority.<sup>11/</sup> Instead, consistent with its practice to date, the Commission properly addresses this overlapping authority by accompanying its ECO-Sat analyses with considerations — that can be overriding — of “any national security, law enforcement, foreign policy, and trade concerns raised by the Executive Branch.”<sup>12/</sup>

The FCC has also specifically rejected ICO's contentions that the Executive Branch's comments in Regulatory Policies<sup>13/</sup> and the Commission's decision in Second Cable<sup>14/</sup> conflict with the ECO test.<sup>15/</sup> As the Commission noted, Regulatory Policies involved a far broader reciprocity requirement that extended beyond foreign carriers. Furthermore, the Commission rejected the proposed reciprocity requirement in Second Cable because it would not have advanced the Commission's pro-competition objectives. In addition, ICO mistakenly suggests that the Commission declined to adopt rules in the Regulatory Policies proceeding based on concern that its approach would infringe Executive Branch trade authority.<sup>16/</sup> In fact, the Commission simply determined that it would defer action and await additional information from the Executive Branch

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<sup>11/</sup> See ICO Comments at 10.

<sup>12/</sup> Foreign Carrier Entry Order, 11 FCC Rcd at 3897 (¶ 62); NPRM at ¶ 12.

<sup>13/</sup> See Regulatory Policies and International Telecommunications, Notice of Inquiry and Proposed Rulemaking, 2 FCC Rcd 1022 (1987).

<sup>14/</sup> See Amendment of Parts 76 and 78 of the Commission's Rules to Adopt General Citizenship Requirements for Operation of Cable Television Systems and for Grant of Station Licensees in the Cable Television Relay Service, 77 F.C.C. 2d 73 (1980).

<sup>15/</sup> See ICO Comments at 12-16.

<sup>16/</sup> See ICO Comments at 14.

in light of the Executive Branch's strong interest in the establishment of FCC procedures that "provide for routine consultation with the Executive Branch with respect to trade policy."<sup>17/</sup>

Also misplaced is ICO's assertion that the ECO-SAT test would increase the bargaining power of the United States in violation of a "standstill" provision agreed to by the U.S. and other members of the GBT.<sup>18/</sup> As with the ECO test, the ECO-Sat test merely reiterates and refines existing Commission policy on promoting competition for international telecommunications services through prevention of discrimination against U.S. carriers and encouragement for foreign governments to open their communications markets.<sup>19/</sup> As such, the test does not improve the United States' negotiating position. Instead, it merely replaces the Commission's *ad hoc* decision

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<sup>17/</sup> Regulatory Policies and International Telecommunications, 4 FCC Rcd 7387, 7396 (1988).

<sup>18/</sup> See ICO Comments at 16-18.

<sup>19/</sup> See, e.g., NPRM at ¶¶ 8, 9 (Commission has almost always relied on competition among multiple private entities as surest way of achieving efficient and innovative satellite communications and this reasoning applies to satellite systems licensed outside the U.S.); Vision Accomplished, Inc., 11 FCC Rcd 3716, (1995) (foundation of U.S. international satellite policy is U.S. satellite system access to foreign markets and foreign satellite system access to the U.S. market); IDB Worldcom Services, Inc., 10 FCC Rcd 7278, 7279 (1995) (pro-competitive U.S. international satellite policy leads to concern if any U.S. satellite provider is denied access to a country particularly where the satellite systems of that country are permitted access to the U.S. market); AmericaTel Corporation, 9 FCC Rcd 3993 (1994) (examining effective competitive opportunities in Chile for U.S. international carriers); Telefonica Larga Distancia de Puerto Rico, 8 FCC Rcd 106, 108 (1992) (closed nature of foreign markets could adversely affect the public interest by undermining the benefits of competition); Regulation of International Common Carrier Services, 7 FCC Rcd 7331(1992) (Commission imposes dominant carrier status on U.S. international common carriers where foreign affiliates have the ability to discriminate against unaffiliated U.S. carriers).

making with a clear articulation of existing policy.<sup>20/</sup> This provides guidance that actually benefits foreign entities, and should facilitate increased U.S. access to non-U.S. satellites.<sup>21/</sup>

**2. The Commission Should Adopt A Flexible ECO-Sat Standard That Places Upon Each Earth Station Applicant The Responsibility To Demonstrate That Its Proposal Will Serve The Public Interest Under The Market Analysis That It Shows To Be Appropriate For The Service It Will Offer.**

The wide range of comments received on the specific applicability of the ECO-Sat test suggest that the Commission should take a flexible approach in applying the ECO-Sat standard, consistent with the U.S. goal of encouraging the adoption of simplified regulatory procedures worldwide. Specifically, the Commission should adopt general guidelines or presumptions concerning market analysis as part of a streamlined Earth station licensing process. Within these general parameters, each individual applicant should be permitted to structure its ECO-Sat showing on a case-by-case basis, seeking to demonstrate which analytical model — home/route market or critical mass — is appropriately applied to its proposal.<sup>22/</sup>

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<sup>20/</sup> ICO also maintains that the proposed ECO-Sat test violates the “spirit” of the Most Favored Nation and National Treatment obligations anticipated by the GBT negotiations. The Commission, however, has wisely recognized that “ongoing [telecommunications] negotiations do not present a bar to the adoption” of an ECO test. See Foreign Carrier Entry Order, 11 FCC Rcd at 3965. Of course, should the United States commit itself through the GBT in ways that are inconsistent with the ECO-Sat test, the Commission may be obligated to revisit its rules. This underscores the need for the Commission to defer any final action in this docket until after the GBT concludes its work.

<sup>21/</sup> NPRM at ¶ 1.

<sup>22/</sup> Lockheed Martin believes that a reasonable “critical mass” test should be based on the openness of a considerable number of the markets (factoring in geographic diversity and  
(continued...)

Nonetheless, while both the home/route market and critical mass tests are appropriate tools for analyzing the competitive impact of market entry for satellite systems, there are critical limitations on the efficacy of either proposed test. As some commenters have observed, there are few foreign satellite systems that are or will be in a position to offer service in the U.S. market, so that the direct applicability of an ECO-Sat test will have at most a marginal impact on the vast majority of foreign countries to which U.S.-licensed systems may desire access.<sup>23/</sup> This fact highlights the importance of working to achieve a multilateral agreement with comprehensive applicability to relevant telecommunications service markets.

With respect to the actual application of the proposed standards, several parties argue for the re-allocation of the burden of proof between the initial applicant and any opponents.<sup>24/</sup> Lockheed Martin believes that it is not productive to engage in detailed discussions of what constitutes a *de jure* or *de facto* barrier to market entry for the purpose of allocating the evidentiary burden to the applicant or its opponents.<sup>25/</sup> As a general matter, we believe that it is reasonable to place the burden of making an initial ECO-Sat showing upon the Earth station applicant itself, which is the party seeking the benefit of a government authorization. Despite the complaints of some that this is too onerous a responsibility to place upon entities that are often small

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<sup>22/</sup>(...continued)

total population) in which the satellite system's investors are based, but should not be finalized prior to the outcome of the WTO/GBT negotiations.

<sup>23/</sup> See, e.g., PanAmSat Comments at 6-7.

<sup>24/</sup> Compare, e.g., AT&T Comments at 10-12 and WorldCom Comments at 7-8.

<sup>25/</sup> See Lockheed Martin Comments at 8-9.

businesses,<sup>26/</sup> it is the prospective ground segment operator that is in the best position to acquire information from the non-U.S. space station operators with which they propose to communicate. Indeed, as indicated by some commenters, it is likely that the affected non-U.S. satellite operators — *i.e.*, those which would gain access to the U.S. market as a result of the application's grant — would be very willing to take the lead in providing information demonstrating market openness in the relevant markets.<sup>27/</sup> This can easily be done in the context of an Earth station application, or possibly through a declaratory proceeding initiated by the non-U.S. satellite operator.

In this connection, there is little support for the proposal that U.S. satellite licensees be required to file regular reports with the Commission concerning the markets where they are authorized to provide service.<sup>28/</sup> The object of this requirement was to provide an informational resource for Earth station operators to use in applications seeking access to non-U.S. satellites. ICO, among others, does not believe that such a listing would prove particularly useful or reliable.<sup>29/</sup> Given the fact that the obligation to provide this information properly belongs with each

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<sup>26/</sup> See Keystone Comments at 2; WorldCom Comments at 7.

<sup>27/</sup> See AT&T Comments at 8-9; Comsat Comments at 34; HBO Comments at 11.

<sup>28/</sup> See Columbia Comments at 17; Lockheed Martin Comments at 8 n.9; Orion Comments at 10-12; PanAmSat Comments at 3-4; TRW Comments at 28-29. *But* see AlphaStar Comments at 6-7; AT&T Comments at 12. AlphaStar would turn the Commission's proposal for annual or semi-annual filings into a quarterly filing requirement with the additional suggestion that licensees be "encouraged to make these reports on an *ad hoc* basis whenever possible." *Id.* at 7. In addition, AlphaStar would impose upon the Commission the added burden of keeping the public constantly informed as to changes in this list by making them available within "a few days" following submission. *Id.*

<sup>29/</sup> See ICO Comments at 22-23.

applicant, and these applicants are better able to gain access to the information required through the non-U.S. satellite systems with which they will communicate, this superfluous reporting provision should be rejected.

**C.     The Commission Should Adopt A “No Special Concessions” License Restriction Which Applies Both To U.S.-Authorized Satellite Systems And To Earth Station Operators Accessing Non-U.S. Satellite Capacity.**

There is agreement among each of the parties that have expressed an opinion on the issue that the Commission should adopt its proposal to expand its “no special concessions” requirement to protect concessions at the expense of non-U.S. satellite systems, provided that this requirement is made applicable to all non-U.S. systems operating in the U.S. through conditions included in Earth station authorizations.<sup>30/</sup> This proviso is absolutely essential in order to establish fair regulation in this area. It is certainly reasonable to adopt requirements that extend protections against unfair competition to all market competitors, but in order to benefit from these protections, all competitors, both U.S.-licensed and others, must bear the same responsibility not to accept discriminatory special concessions in other markets.

The Commission can easily extend its regulatory authority to cover the non-U.S. satellite systems through its regulation of the Title III Earth station operators that apply to access these satellites. Any Earth station operator authorized to access a non-U.S. licensee would not be permitted to communicate with a satellite whose operator accepts “special concessions” in any

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<sup>30/</sup>     See, e.g., TRW Comments at 37-39.



other market. In the event that an Earth station knowingly violates this restriction by using a non-U.S. satellite that had accepted special concessions, its authorization could be revoked.

**D. The Commission Should Not Permit Inter-Governmental Organizations Or Their Spin-Offs To Expand Services Beyond Their Treaty-Based Mandate Until Issues Concerning IGO Restructuring And/Or Privatization Are Fully Resolved.**

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Apart from the comments filed by the intergovernmental satellite organizations ("IGOs"), and related entities, there is no support among the commenters for permitting IGOs and their spin-offs to provide domestic U.S. service prior to the restructuring and/or genuine privatization of these entities.<sup>31/</sup> The IGOs themselves have offered no basis for ignoring the existing specially-defined roles of Intelsat and Inmarsat in considering the public interest ramifications of allowing Intelsat and/or Inmarsat capacity to be used to offer U.S. domestic service. Prior to the completion of structural changes, the unique character of these entities and the immense market power that they possess on a global scale could result in market distortions.

Comsat and Intelsat, in particular, seem not to appreciate this concern in arguing that the appropriate inquiry is to "examine the public interest benefits that would arise from the entry of an additional facilities-based competitor into the U.S. market."<sup>32/</sup> This is not the relevant inquiry — indeed, one of the premises underlying both the DISCO I and DISCO II proceedings is the inescapable fact that telecommunications markets are increasingly global. As a result, market

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<sup>31/</sup> See AT&T Comments at 14-17; Columbia Comments at 21-22; GE Americom Comments at 10-12; HBO Comments at 20-21; JSAT Comments at 6; Lockheed Martin Comments at 13-14; Orion Comments at 12-16; PanAmSat Comments at 6.

<sup>32/</sup> See Comsat Comments at 7.

barriers in one part of the world can have a ripple effect on competition elsewhere, even on the other side of the globe.

The U.S. market is already open and competitive, so that any incremental increase in competition gained from new entrants is relatively less beneficial to consumers, particularly if the countervailing cost is providing additional market advantages to entities that have the ability to constrain competition in national, regional or global markets. The reason for adopting an ECO-Sat test is to promote open markets on a global basis, so that the benefits of vigorous competition that are already enjoyed in the U.S. will be available to satellite users worldwide. Accordingly, it is by no means clear that unrestricted use of Intelsat and Inmarsat capacity for U.S. domestic service is in the public interest simply because it would increase the space segment capacity available for the U.S. market.

The various arguments raised concerning expanded service offerings by IGOs demonstrate that this matter is inextricably bound up with issues surrounding the future structure of these entities. Given the complexity of these issues — and their distinctness from the other issues raised in this proceeding — the Commission should defer any further action on this aspect of the NPRM until after action is taken on the restructuring and/or privatization of the IGOs. Only then will it be possible to fairly and reasonably evaluate the nature of the new spin-off entities and the degree to which they will or will not benefit from their genesis as part of the dominant IGO

structure. Consistent with this approach, the Commission should strongly consider Orion's suggestion that these issues be dealt with thoroughly in a separately initiated proceeding.<sup>33/</sup>

**E.     The Commission Should Retain Its Sound Policy Of Dismissing Earth Station Applications To The Extent That They Prematurely Seek Access To Proposed Satellites That Are Not Yet Licensed Or Operational.**

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One relevant issue not directly addressed in the Commission's NPRM is the timing for filing Earth station applications to access non-U.S. satellites. As the International Bureau recently affirmed, the Commission has never — and should not — accept Earth station applications to access any satellite that is not yet licensed (*i.e.*, in possession of all requisite non-conditional authority to construct, launch and operate the spacecraft) or is not currently in operation.<sup>34/</sup> A contrary policy would simply invite a torrent of speculative applications that would burden FCC staff.

### **III.    CONCLUSION**

For the foregoing reasons, the Commission should defer final adoption of the ECO-Sat test until the conclusion of the WTO GBT negotiations next winter. The Commission and other U.S. agencies should also endeavor to establish useful precedents on trade and regulatory matters affecting global and regional satellite systems at the ITU's World Telecommunications Policy Forum. Both the timing and substance of any further action in this proceeding should be

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<sup>33/</sup>     See Orion Comments at 12-13.

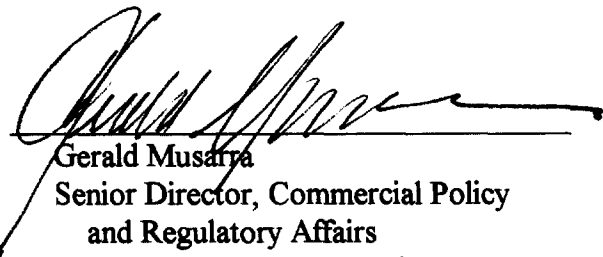
<sup>34/</sup>     See Telquest Ventures, L.L.C. and Western Telecommunications, Inc., DA 96-1128, slip op. (Int'l Bur, released July 15, 1996).

consonant with the broader U.S. trade and regulatory objectives being pursued in the WTO GBT negotiations. Prominent among these important objectives are generally unrestricted market access worldwide for satellite services, fair and transparent application procedures, and strict adherence to the principle that only one administration will be responsible for the licensing and assignment of space segment for each satellite system.

Respectfully submitted,

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A handwritten signature in black ink, appearing to read "Gerald Musarra", is written over a horizontal line.

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August 16, 1996